



Defense Transportation Coordination Initiative Industry Day Presentation

Crystal City, Virginia

16 Mar 05



Opening Remarks

LTG Robert T. Dail

Deputy Commander, USTRANSCOM



Introduction



USTRANSCOM's view of itself

USTRANSCOM's view of the environment

- ☐ **Today**
- ☐ **Tomorrow**

Therefore...

- ☐ **Timing is right to pursue this initiative**
- ☐ **This is a real opportunity for industry**
- ☐ **We have to get the requirement "right"**



Outline



Introduction

Vision

Requirements

Feedback

Program Phasing/Timeline

Acquisition Strategy/Approach

Next Steps



DTCI Team Composition



DTCI Program Manager (PM) – Lt Col Chris Moulton

DTCI Contracting Officer (CO) – Ms Cathy Simpson

**USTRANSCOM Director for Small and Disadvantaged
Business – Ms Susan Sembenotti**

Various Functional Representatives

☐ **USTRANSCOM**

☐ **DLA/DDC**

☐ **SDDC**

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DTCI Vision



Vision: Improve the reliability, predictability, and efficiency of DoD materiel moving within the Continental United States through a long-term partnership with a world-class coordinator of transportation management services

Goals:

- ☐ Improve operational effectiveness
- ☐ Improve visibility, reliability, & predictability
- ☐ Improve customer confidence
- ☐ Reduce cycle times
- ☐ Increase efficiencies
- ☐ Use commercial/government best practices
- ☐ Ensure strong small business participation
- ☐ Performance improvement enabled by metrics

Value Proposition: Improve performance of distribution to CONUS-based operational forces and depots--with corollary dollar savings



Business Case Analysis



Period of Study

☐ **1 June 03 – 31 May 04**

Data Source

☐ **All PowerTrack paid bills**

Data Analyzed

☐ **Workload/Volume**

☐ **Transportation costs**

**Result: Opportunities exist for consolidations, mode changes,
and cost savings**

**Commander's direction: "Proceed at best possible speed—
but get it right!"**



Analysis



Facility Name	Total Weight	Total Orders	Historical Cost
New Cumberland	212,048,193	234,851	\$36,521,133
San Joaquin	123,671,348	79,486	\$26,453,434
Oklahoma	26,472,361	203,675	\$9,671,037
Hill	29,920,768	183,700	\$12,140,056
Norfolk	23,307,011	139,096	\$4,619,595
Warner Robins	18,735,856	149,568	\$8,487,361
San Diego	16,391,112	110,268	\$5,331,936
Jacksonville	10,954,793	91,178	\$4,605,517
Cherry Point	22,718,574	55,375	\$3,791,796
Anniston	22,307,985	54,211	\$5,879,958
Albany	36,308,457	44,954	\$4,282,077
Barstow	28,859,304	33,436	\$5,044,364
Tobyhanna	14,469,966	31,328	\$2,948,860
Columbus	1,820,888	24,898	\$693,893
Puget Sound	5,891,086	28,048	\$2,050,731
Red River	126,751,942	27,210	\$15,194,259
Richmond	43,897,846	19,150	\$5,976,844
Corpus Christi	5,397,927	23,746	\$2,373,012
Mechanicsburg	57,451,349	5,827	\$4,172,322

Timeline: Jun 03 – May 04

Excluded:

- Small package express
- AA&E
- Household Goods
- DVDs

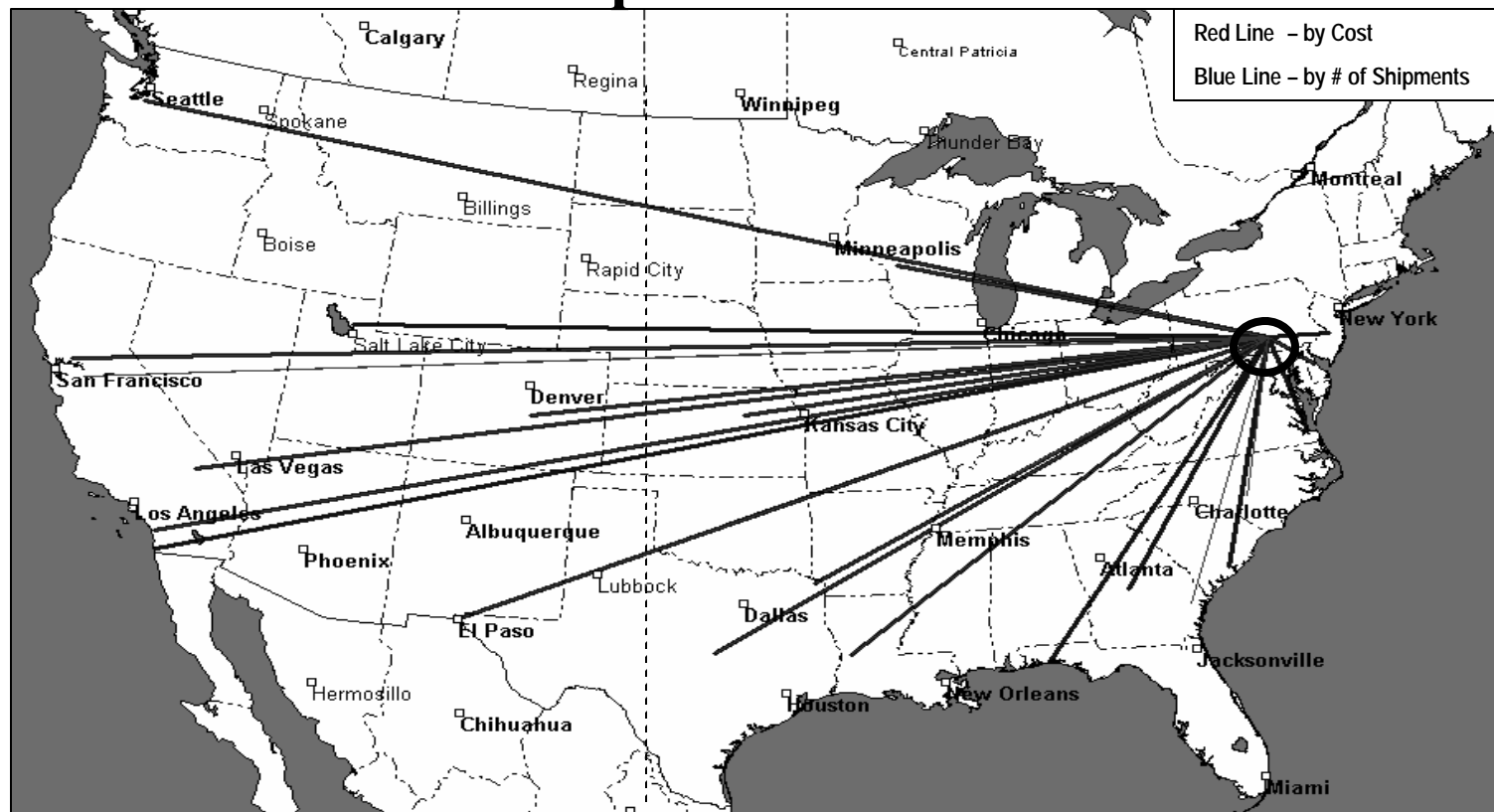
Assumptions:

- Multiple LTL shipments converted to TL
- Multi-stop P/U, Drops



Analysis

Top 20 lanes



	Facility Name	State	Zip	Total Weight	Total Orders	Historical Cost
PDS 1	New Cumberland - Mechanicsburg	PA	17070	212,048,193	234,851	\$36,521,133



Analysis



Phased Approach

Phase		Historical Shipments	Historical Cost
Phase 1	DLA Only	1,574,794	\$168,231,586
Phase 2	Co Located Depots*	232,870	\$ 51,775,265
Phase 3	Air Force**	171,042	\$ 32,098,001
Phase 3	Army**	53,296	\$ 22,168,442
Phase 3	Navy**	102,559	\$ 14,618,009
Phase 3	DCMA**	33,023	\$ 10,172,585

*** Shipping Locations within 50 miles of an existing DLA**

**** Service/DCMA Locations, excluding locations within a 50 mile radius of a DLA depots, and only those locations that were found to show promise of appreciable savings**



DTCI Activities

Discussions With Industry



NDTA Symposium

Surface Transportation Committee Meeting

American Trucking Association

NDTA Senior Fellows Meeting

Industry Day

Upcoming: SDDC Symposium

Upcoming: Pre-solicitation Conference



Feedback

What you've said...what we're doing



You said: “Address DoD’s internal process first”

- ☐ **Develop/implement change management plan**
- ☐ **Include transition plan from TTC/TTCII to DTCI**
- ☐ **Seek process improvements**
- ☐ **Expect superior contract performance to ease DoD transition**

You said: “Timeline is ambitious”

- ☐ **Construct phased implementation plan**
- ☐ **Adjust for reality – getting it right**

You said: “Coordinator may not be able to handle proposed scope”

- ☐ **Solicit innovative industry approaches**
- ☐ **Anticipate team based solution**



Feedback

What you've said...what we're doing



You said: Significant IT interface challenges

- ☐ Technical library will describe interfaces and system compliance requirements

You said: Ensure timely payment to carriers

- ☐ Investigate commercial models / understand Power Track implications
- ☐ RFI will request industry input

You said: Ensure well defined requirements / performance metrics

- ☐ Construct Draft PWS, requirements document
- ☐ Obtain industry feedback through RFI, draft RFP



DTCI Functional Requirements



Coordinate, and/or provide, DoD freight transportation services

- ☐ **CONUS origins / destinations**
- ☐ **Process / execute eligible transportation movement requests**
- ☐ **Meet customer's RDD**
- ☐ **Ensure best cost to the government**
- ☐ **Provide claims management**
- ☐ **Provide 24/7 customer support**

Ensure Continuity of Operations

Ensure the DoD maintains a redundant capability



DTCI Functional Requirements



Establish/maintain real-time IT interfaces with DoD systems

- ☐ **Ensure In-transit visibility (ITV) visible in GTN**
- ☐ **Ensure Continuity of Operations**

Maximize Small / Disadvantaged Business utilization

**Analyze and recommend improvements to DoD process,
procedures or systems which limit ability to provide value**

Provide routine reporting

- ☐ **Financial transactions**
- ☐ **Carrier performance metrics**
- ☐ **Lost/astay/damaged freight**
- ☐ **Process improvement recommendations**
- ☐ **Subcontract metrics**



DTCI Draft Exclusions



OCONUS freight movements (Theater controlled)

Vendor shipments

OCONUS unit moves

Universal Services Ocean carrier contracts

Household goods (DPM included in Phase 1)

Movements using DoD organic equipment



DTCI Draft Exclusions



Shipments under local drayage contracts and/or agreements

Bulk fuels

GSA Small Package (Tendered as 150Lb or less)

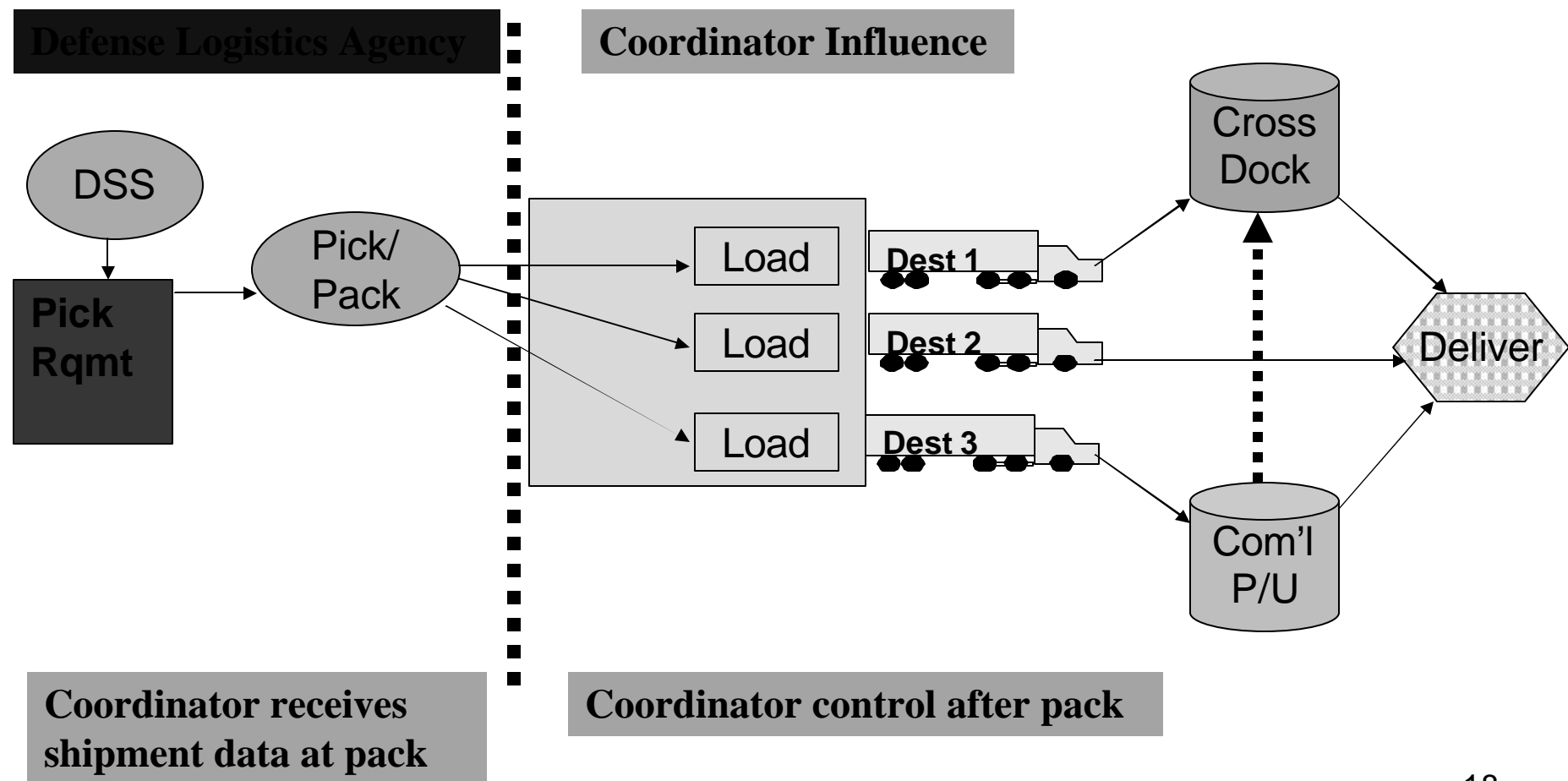
POVs and vehicles in drive-away or tow-away service

Sensitive and/or classified shipments

Arms, Ammunition and Explosives (AA&E)



Point of Influence





Phasing



Phasing Construct

3-Phase approach

DLA

Co-located service/agency sites (w/in a 50-mile radius)

Other service/agency sites

Timeline for Implementation

Industry & Service concerns

IT considerations

Rollout timeline

Desired Outcomes

Best approach in terms of phasing-in Agencies/Services

Construction of a realistic timeline for implementation

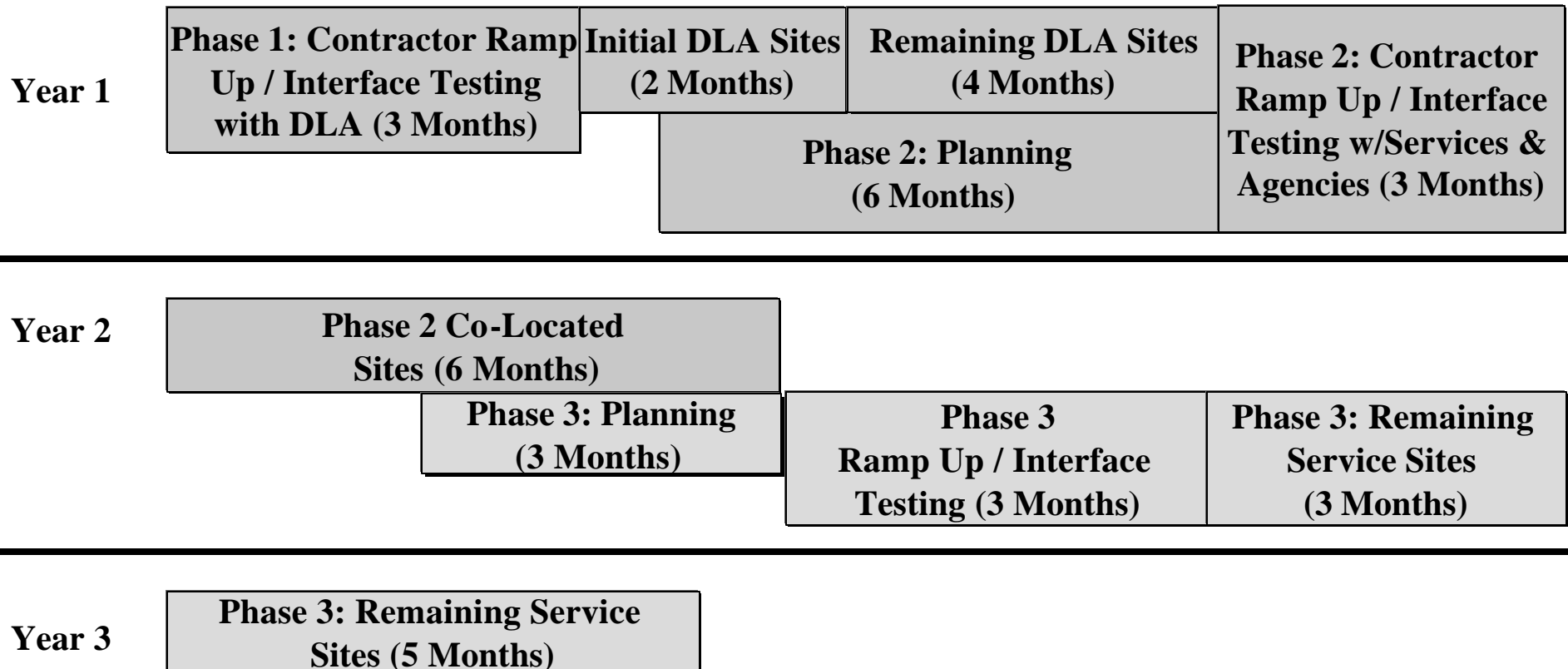
Seek industry comment



DTCI Phasing & Rollout



From Contract Award





Acquisition Strategy



Requirement

- ☐ Fully coordinated reliable, predictable, and efficient movement of CONUS materiel

Request for Information (RFI)

- ☐ Will issue as soon as practical
- ☐ Requesting industry input on acquisition strategy elements

Contract award options

- ☐ Single coordinator / single entity (team)
- ☐ Multiple coordinators (regional/best in breed/lanes)



Acquisition Strategy



Performance based work statement

- ☐ Well defined
- ☐ Performance metrics
- ☐ Post draft for industry comment

Identify best commercial practices

- ☐ Contract Type Considerations
 - ☐ Indefinite Delivery-Indefinite Quantity
 - ☐ Firm Fixed Price / Cost Type Provisions
 - ☐ Incentives to drive desired outcomes (award term/award fee)

Contract term

- ☐ Minimum envisioned - five years (base period plus option years)
- ☐ Identify benefits/shortfalls of longer/shorter terms



Acquisition Strategy



Payment considerations

- ☐ Build solicitation requirements to ensure accurate and timely payment at prime and subcontractor levels
- ☐ Commercial practice
- ☐ PowerTrack

Source selection procedures

- ☐ Best Value – sample criteria
 - Past Performance
 - Management plan + small business
 - Transportation Management Capability
 - ITV Systems Capability
 - Executable Ramp-Up Plan
 - Cost
- ☐ Evaluation criteria will be shared in draft solicitation for comment



Next Steps



RFI – 18 Mar 05

- ☐ **Seek input on commercial best practices**
- ☐ **Capability statements**
- ☐ **Identify specific requirements/IT concerns**
- ☐ **Request responses by 28 Apr 05**

Draft PWS

- ☐ **Post and Request Industry Input**

Upcoming events

- ☐ **SDDC Symposium – 26-27 Apr 05**
- ☐ **Pre-solicitation Conference – Aug 05**



Rules of Engagement



The PMO is the single POC for this project

☐ All industry inquiries with USTC, DLA, SDDC leaders or other government personnel will be forwarded to the PMO for action

☐ Lt Col Chris Moulton, Project Manager

☐ Ms Cathy Simpson, Contracting Officer

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Rules of Engagement



Procurement integrity is “job one”

- ☐ **Equal treatment and dissemination of information for all interested parties through the PMO**
- ☐ **Prompt CO action will be taken to mitigate even the appearance of a conflict of interest**



DTCI Contacts



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Questions

The answers provided to the various questions posed are preliminary responses and not the final position of the Government. All answers are subject to change at any time during this period of market research, and exchanges of information with industry. The terms and conditions of the Government's DTCL Solicitation shall take precedence over any answer provided.